

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA



Eighteenth meeting of the Conference of the Parties
Geneva (Switzerland), 17-28 August 2019

PROPOSAL TO AMEND LISTING PROPOSAL 53 (COP18 PROP. 53)
TO EXTEND THE SCOPE OF THE ANNOTATION FOR *PERICOPSIS ELATA*
SUBMITTED BY CÔTE D'IVOIRE AND THE EUROPEAN UNION

This document has been submitted by Côte d'Ivoire and the European Union* in relation to proposal 53.

* *The geographical designations employed in this document do not imply the expression of any opinion whatsoever on the part of the CITES Secretariat or the United Nations Environment Programme concerning the legal status of any country, territory, or area, or concerning the delimitation of its frontiers or boundaries. The responsibility for the contents of the document rests exclusively with its author.*

Côte d'Ivoire and the European Union (EU) are proposing an expansion of the scope of the annotation for *Pericopsis elata* (currently # 5) to include plywood and transformed wood, which would result in creating a new annotation as follows:

"Logs, sawn wood, veneer sheets, plywood, and transformed wood¹."

This document aims at clarifying a number of issues with regards to this proposal as well as providing additional elements why this amendment to the CITES Appendices is necessary for an effective implementation of the Convention.

1) The proposal aims at changing the current annotation # 5 for *Pericopsis elata* only.

There are other species listed in the CITES Appendices with the same annotation # 5, but it is not the intention of the proponents to change the annotation for any of these species. The proposed amendment would result in the creation of a new annotation (possibly # 17) which would only be applicable for *Pericopsis elata*.

Côte d'Ivoire and the EU did however took note of the "Note to Parties and Proponents" by the Secretariat in CoP18 Doc. 105.1 Annex 2 which reads: "*Parties might also consider whether a revised annotation #5 ("logs, sawn wood and veneer sheets") may be warranted for other CITES-listed tree species.*"

¹ Whereby transformed wood is defined by HS code 44.09: Wood (including strips, friezes for parquet flooring, not assembled), continuously shaped (tongued, grooved, v-jointed, beaded or the like) along any edges, ends or faces, whether or not planed, sanded or end-jointed.

2) The inclusion of the new term "transformed wood" in a footnote to the annotation.

It was not the proponents' intention to create a new way of formulating annotations, and the proponents are willing to ensure that the proposed amendment complies with the guidance provided by Resolution Conf. 11.21 (Rev. CoP17) on the use of annotations in Appendices I and II. Côte d'Ivoire and the EU are willing to amend the proposal 53 by proposing that the new term "transformed wood" is included into Resolution Conf. 10.13, or is included in the interpretation section of the Appendices of the Convention (as noted by CoP17 following the recommendation of the Standing Committee Working Group on annotations in document CoP17 Doc. 83.1). The proponents stand also ready to take into account the outcome of general discussions on this topic in relation to documents CoP18 Doc. 101 and CoP18 Prop. 52.

Although the term "transformed wood" is new under CITES, it is a term corresponding to a HS code² and therefore familiar to customs in all CITES Parties, who enforce CITES implementation. This is in line with paragraph 1.d. of Resolution Conf. 10.13 (Rev. CoP15) which states that "*for the purpose of annotations in the Appendices for parts and derivatives of species traded as timber, definitions to be used should, to the extent possible, be based on the tariff classifications of the Harmonized System of the World Customs Organization*".

By using a well-defined term, linked to a specific HS code, the EU and Côte d'Ivoire trust that implementation and enforcement would be facilitated.

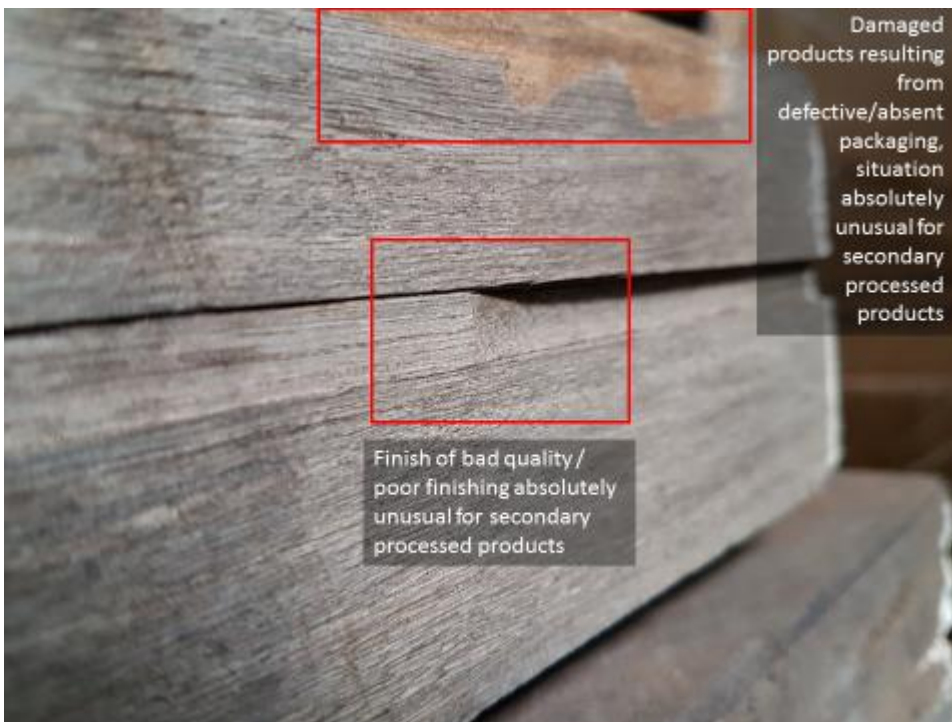
3) Compliance with Resolution Conf. 11.21 (Rev. CoP17)

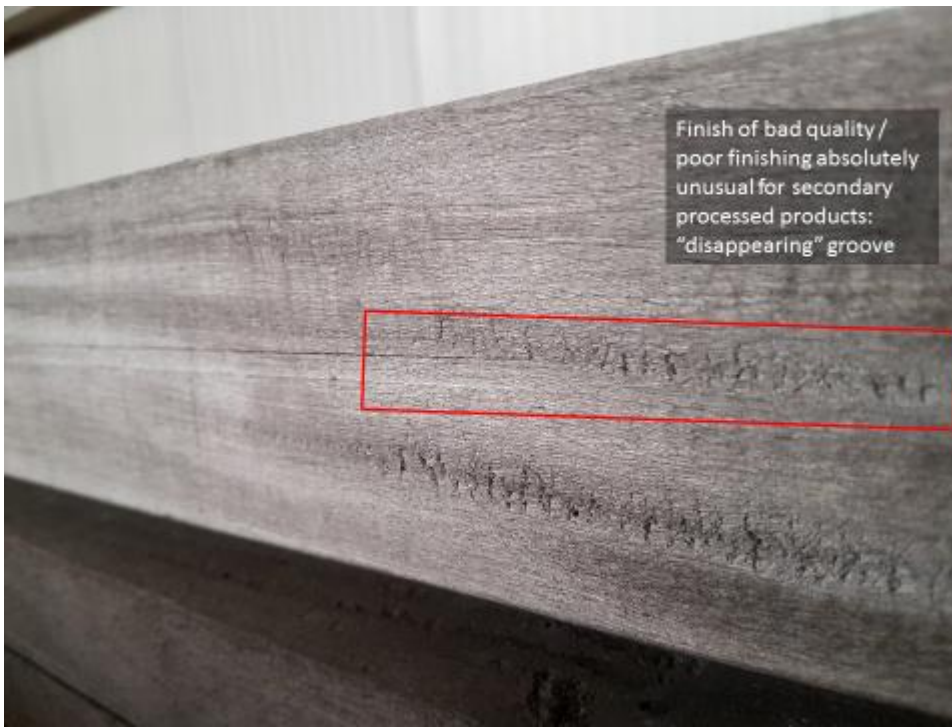
13 cases of observed or potential trade outside the scope of annotation #5 were identified by the proponents over the last years, showing that significant volumes of *Pericopsis elata* products are currently traded outside the scope of CITES controls as currently defined under Annotation #5. It is the view of the proponents that, in line with Resolution. Conf. 11.21 (Rev. CoP17), CITES controls should concentrate on those commodities that first appear in international trade as exports from range States, including transformed wood. The proponents believe in particular that CITES controls should include only those commodities that dominate the trade and the demand for the wild resource, in particular logs, sawn wood and transformed wood.

The following pictures correspond to a case of import into the EU where the shipment was confiscated due to uncertainty as to whether a CITES permit was required. Customs authorities questioned in particular whether the confiscated wood – sawn wood slightly transformed – corresponded to the definition of HS Code 4409 or of HS Code 4407. Customs formally labeled the sawn wood under HS Code 4407 and thus within the scope of CITES. These pictures show for this case in particular a superficial transformation that was made to sawn wood, thus raising questions as to whether the shipment falls under CITES controls as currently defined under annotation #5. The current annotation creates therefore uncertainties towards exporting and importing firms, as well as to CITES authorities, as a customs office could consider such products as falling under HS code 4409 (outside the scope of CITES), whereas others would declare it as falling under HS code 4407 (within the scope of CITES and thus subject to permit requirements).

² HS Code (Harmonized Commodity Description and Coding System) is a standardized international system to classify globally traded products, which is currently maintained by the World Customs Organization.

Other finished products (not covered by HS Code 4409) would still fall outside the scope of this proposal, thus keeping the balance between the specimens dominating the trade and potential unnecessary administrative burden.





In addition from this case, the EU has documented at least 12 cases where importing firms questioned the need for CITES documentation for shipments of sawn wood to be imported into the EU, directly from the countries of origin. Pictures of these cases can be found in the annex to this document.

In order to ensure that CITES controls cover those commodities that dominate the trade and the demand for the wild resource, the proponents recommend expanding the current annotation to include such transformed products within the scope of CITES.

The Standing Committee, at its 70th meeting (SC70, Sochi, October 2018), endorsed this recommendation from the Standing Committee Working Group on annotations and invited Parties to submit a proposal to CITES CoP18 (see document CoP18 Doc. 101, paragraph 6) by proposing an amendment to the current annotation.

In the following table the proponents provide information on each of the criteria for establishing or amending annotation as foreseen in Resolution Conf. 11.21 (Rev. CoP17).

Resolution Conf. 11.21 (Rev. CoP17)	Information
Para 6.a.i) <i>ensure that the text is clear and unambiguous in the three working languages of the Convention;</i>	The proposed text is fully aligned with this provision as it uses terms that are clearly defined and linked to the HS codes.
Para 6.a ii) <i>consider the conservation impact of excluding certain specimens from CITES provisions;</i>	The species has been subject over the last years to a number of CITES processes and compliance measures. The Plants Committee has in particular reviewed the sustainability of the trade under the Review of Significant Trade process on several occasions and acknowledged the significant progress made by some Range States of <i>Pericopsis elata</i> in improving their management of this species (PC23 Com. 5 (Rev. by Sec.)). At the same time, the volumes of transformed wood currently exported are likely to have a conservation impact on the species. The risk that exports occur outside the scope of CITES would therefore undermine the work currently being done with regards to Non Detriment Findings and sustainable quota-setting. It is therefore likely that inclusion of transformed wood within the scope of CITES controls will contribute to ensuring sustainable trade in this precious wood.
Para 6.a iii) <i>consider the enforceability of the annotations;</i>	The suggested change in annotation aims at ensuring smooth enforcement as the new included terms (plywood and transformed wood) are both linked to established HS codes and therefore known by customs, as well as compliant with Resolution Conf. 10.13 (Rev. CoP15).
Para 6.b.) i) <i>controls should concentrate on those commodities that first appear in international trade as exports from range States; these may range from crude to processed material; and</i>	Observed shipments of transformed wood are in international trade and are directly exported by Range States.
Para 6.b. ii) <i>controls should include only those commodities that dominate the trade and the demand for the wild resource;</i>	It is clear that these commodities, together with logs and sawn wood, dominate the trade and correspond to wood of wild origin as this transformed wood is being exported directly from the Range States and does not correspond to plantations wood. The Standing Committee recommended the submission of a proposal to CoP18 in order to expand the current annotation to include transformed wood.

The proponents strongly believe that this new annotation would help achieving balance between conservation benefits and unnecessary administrative burden, and that the suggested annotation would contribute to a sustainable trade in the species without creating excessive administrative burden on exporting or importing countries.

Annex: pictures of shipments of sawn wood to be imported into the EU, directly from range states.



Parquet flooring made out of *P. elata* – shipment of 2014.



Example of a shipment of *P. elata* in 2015.



Floor board made out of *P. elata*, 2016. The same pictures were sent in 2019 to another EU Member State with the same question regarding whether the wood could be imported without CITES documentation.



Shipment of flooring of *P. elata*, 2017.



Shipment of *P. elata*, 2016.